FILED
IN OPEN COURT

JUN 21 2024

CLERK, U.S. DISTRICT COURT
ALEXANDRIA, VIRGINIA

IN THE UNITED STATES DISTRICT COURT FOR THE

EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA v. ROBERT WESLEY ROBB, Defendant.	Case No. 1:24-cr-141 <u>Count 1</u>: Wire Fraud (18 U.S.C. § 1343)

STATEMENT OF FACTS

The United States and the defendant, Robert Wesley Robb ("ROBB") agree that the United States would have proven the following facts at trial, beyond a reasonable doubt, with admissible and credible evidence:

1. Beginning in or around November 2022 and continuing through in and around March 2024, in the Eastern District of Virginia and elsewhere, the defendant ROBERT WESLEY ROBB ("the defendant" or "ROBB") did knowingly devise and intend to devise a scheme and artifice to defraud investors to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing the scheme and artifice to defraud, knowingly transmitted and caused to be transmitted by means of wire communications in interstate commerce, certain writings, signs, signals and sounds, in violation of Title 18, United States Code, Section 1343 (Wire Fraud).

2. Specifically, on or about October 27, 2023, the defendant, using an electronic device located outside the Commonwealth of Virginia, transmitted a message via the internet to Investor A, an individual located in the Eastern District of Virginia.

3.   At all times relevant to the Criminal Information, ROBB maintained an account on Friend.Tech, which is a blockchain-based social media platform. Friend.Tech's main feature is "token-gated chats" through tokens called "keys" that can be purchased and traded. Users gain access to other users' token-gated chats through the purchase of keys. In other words, Friend.Tech allows users to purchase access to chat rooms with specific individuals.

4.   Investor A is a resident of Brambleton, Virginia, which is within the Eastern District of Virginia. At all times that Investor A was communicating with ROBB other than September 7-10, 2023, Investor A was located within the Eastern District of Virginia. In or around September 2023, Investor A purchased keys to ROBB's Friend.Tech account, which had the username "PokerBrat2019."
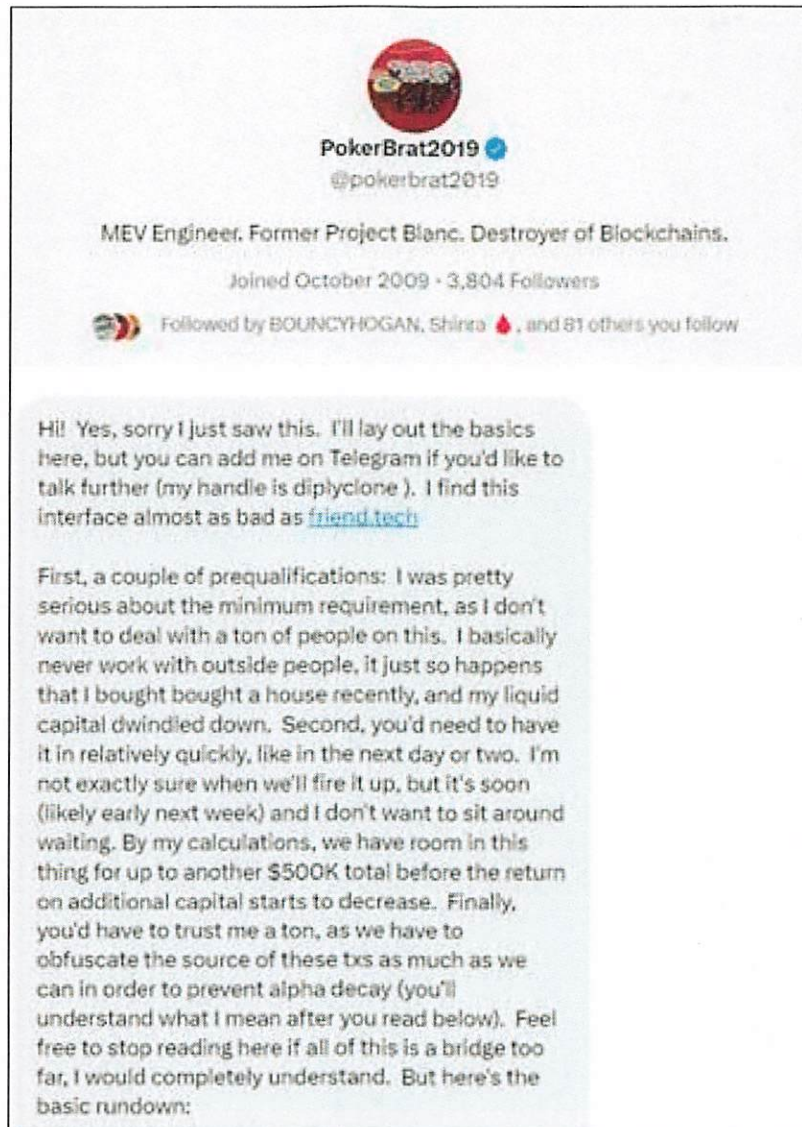
5.   On or around September 4, 2023, using an electronic device, ROBB posted in his Friend.Tech chat using the internet, advertising an opportunity to invest in a Maximum Extractable Value (MEV) cryptocurrency trading bot. ROBB invited individuals that had "$100-$200k+ sitting around" and wanted to "participate in some next-level MEV stuff" to send him a direct message to learn more. ROBB was located in Nevada at the time. A screenshot containing ROBB's representations on Friend.Tech is included below:

PokerBrat2019 · Sep 4, 2023, 7:20 PM
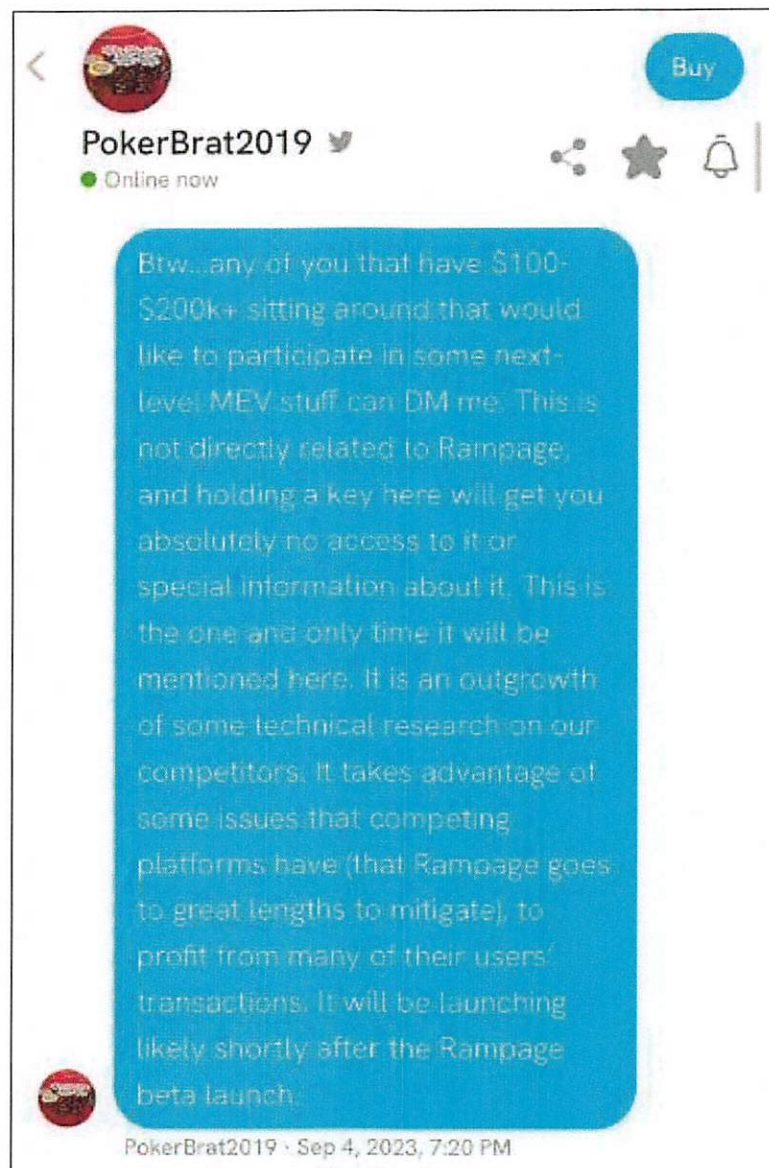
6.   More than one person sent funds to ROBB in response to this advertisement, starting on September 4. On or about September 7, 2023, Investor A sent a direct message to ROBB's X account, @pokerbrat2019, and discussed the opportunity to invest in the MEV bot. While communicating on X, ROBB made multiple representations to Investor A about the MEV bot and told Investor A that the investment must total at least $100,000.

7.   ROBB explained to Investor A how the MEV bot would work, how Investor A's investment would be used as capital by the MEV bot to trade cryptocurrency (i.e., not to fund

ROBB's personal expenses), how the origin of Investor A's investment must be "obfuscate[d]," and how ROBB and Investor A would split profits. Further, ROBB described the MEV bot as capable of delivering very high returns and assured Investor A that this was a low-risk investment. Additionally, ROBB insisted that Investor A must invest within a "day or two," because he expected the bot to be operational "soon (likely early next week)." Screenshots containing ROBB's representations on X to Investor A are included below:

PokerBrat2019 ✓
@pokerbrat2019

MEV Engineer. Former Project Blanc. Destroyer of Blockchains.

Joined October 2009 · 3,804 Followers

Followed by BOUNCYHOGAN, Shinra 🩸, and 81 others you follow

Hi! Yes, sorry I just saw this. I'll lay out the basics here, but you can add me on Telegram if you'd like to talk further (my handle is diplyclone). I find this interface almost as bad as friend.tech

First, a couple of prequalifications: I was pretty serious about the minimum requirement, as I don't want to deal with a ton of people on this. I basically never work with outside people, it just so happens that I bought bought a house recently, and my liquid capital dwindled down. Second, you'd need to have it in relatively quickly, like in the next day or two. I'm not exactly sure when we'll fire it up, but it's soon (likely early next week) and I don't want to sit around waiting. By my calculations, we have room in this thing for up to another $500K total before the return on additional capital starts to decrease. Finally, you'd have to trust me a ton, as we have to obfuscate the source of these txs as much as we can in order to prevent alpha decay (you'll understand what I mean after you read below). Feel free to stop reading here if all of this is a bridge too far, I would completely understand. But here's the basic rundown:

Basically, the way that Maestro/Unibot work is that users set limit orders, and then the Maestro/Unibot watch the chain and execute those rules when market conditions the user has set are met (sniping is a different animal, though we can see how many users are setup to snipe a given coin as well). Many of these rules remain static, because human users are setting them, and they don't tend to change them often (especially on the sell side). This is the Achilles heel of these platforms. It's also crucial to

understand that most transactions from these platforms are private - they bypass the public mempool. This ostensibly sidelines MEV bots - after all, if we can't see the transactions, we cannot profit from them. But if we were the only ones to see them, we would have no competition and would make millions.

So I wrote something to figure out which addresses are using these services, and then it watches their trades on-chain to extrapolate the rules that each user has set. I can backtest how accurate these predictions are, without risking a single dime. I have been doing exactly this over the past few weeks, and I'm up to ~93% accuracy (when it makes a prediction). It's theoretically good enough already to make enormous returns, but I am pushing to get it to ~95%. I expect to hit that within a day or two of the Rampage launch.   Since we can predict what they are going to buy or sell, when, the gas price at which they will do it, and in what amounts, even though we cannot see their transactions, we can still profit from them. We can backrun them, hijack any backruns the platform itself was going to do, sandwich them, etc. We will be the only people doing it, because nobody else knows the transaction exists. Backrunning is normally enormously competitive, but we'll have zero competition. Backrunning just means landing a transaction behind their buy that does an arbitrage with a different pair that has a lower price than the pair they bought from.

> Additionally, there is a tremendous amount of overlap in these orders. We can warehouse tokens their users are actively buying, because we know what will trigger them to buy or sell. When they buy, we can dump on them. There are a few bots making up to 6 figures per day doing this, but they are doing it with fierce competition. We have none for this because nobody can see the txs we are targeting. I call this a "blind delayed sandwich". We know which tokens are most active among their users, and what conditions will make them buy or sell. We can hold the correct tokens and always make a profit when those transactions inevitably occur, and we can even cause those transactions to occur by pushing prices around because we know how much of what tokens will be bought or sold when the price hits a certain number.

> So, this is all well and good but quite capital intensive. It also involves some holding risk, although it's very close to zero because the activity gets so concentrated through these bots (everyone is going after the same thing).
>
> Lmk if you'd like to move forward. Basically you'd get 50% of the profits attributable to your portion of the bankroll, which is currently around $800K.

8.   Investor A and ROBB continued their communication on Telegram, an encrypted communication platform. ROBB used the Telegram name "DiplyClone." On Telegram, ROBB provided Investor A an Ethereum virtual currency address to send his initial $100,000 investment. On or about September 8, 2023, Investor A sent ROBB an amount of USD Coin (USDC) totaling approximately $100,000. On September 26 and 27, and October 2, the funds provided by Investor

A were transferred into ROBB's Coinbase account, from which he was then able to transfer the funds to his traditional bank account.

9.   In the days between September 8 and September 26, and in the weeks and months that followed, ROBB repeatedly promised Investor A that the MEV bot would be launched shortly, and then subsequently provided multiple excuses for why the MEV bot had not yet launched. At no point did ROBB reveal to Investor A that he had used Investor A's funds, and/or other investors' funds, to fund his personal expenses.

10.   On or around October 27, 2023, ROBB told Investor A that a new investor was interested in making a $300,000 investment in the MEV bot. He told Investor A that such an investment would dilute Investor A's profits, so he was giving Investor A the chance to make an additional investment in the MEV bot, which he said would also insulate Investor A even further by spreading out the small risk profile associated with the bot. This was false because ROBB had already spent Investor A's previous investment on personal expenses, so an additional investment would not and could not dilute an profits or insulate Investor A in any way, and further deposits from Investor A would at best serve to replace funds ROBB had misused, and thereby conceal ROBB's misuse of Investor A's initial investment. ROBB also told Investor A the MEV bot would launch "in the next week or so." On or around October 28, 2023, Investor A sent an additional $50,000 to an Ethereum virtual currency address provided by ROBB. The funds provided by Investor A were subsequently transferred into ROBB's Coinbase account, from which he was then able to transfer the funds to his traditional bank account where they could be used to fund his personal expenses. A screenshot containing ROBB's October 27 representations on Telegram are included below:

> Just a bot update:
>
> Friday is going to be devoted to getting Rampage finally up and running, but it appears that we are finally ready to start running tests later this weekend and should actually be printing next week.
>
> The social platforms are going up as soon as I get a domain transfer that I purchased, which I think will also occur Friday. I bought SocialFi.tech, originally I was going to use FriendFi.tech, but some people think that's too close to Friend.tech. As a bot backer, you'll be getting a large helping of points within that app right off the bat, along with a multiplier above that of key holders. These points won't just remain stagnant for long; I have a plan to make them liquid within a week or two of the platform launch.
>
> Finally, with regard to the bot. A friend of mine I had lunch with today was impressed with the bot progress and wants to put in $300k. We could actually use the capital, and it will insulate you even further by spreading out the small risk profile we have even further. But I also told him that I already have people backing it, and that I'd give you and the others a right of first refusal, and reduce the amount I'm allowing him to put in by anything existing backers want to put in, if anything.
>
> So, now that it appears that we are finally about to launch in the next week or so, if you'd like to increase your exposure, lmk in the next 24 hours and I'll send you an address. If not, it's completely fine. There's no minimum amount by which you can increase it, and the max is the $300k he wants to put in.   🙏 edited 4:21 AM

11.   On or around November 7, 2023, ROBB informed Investor A that he was going to start testing the bot that evening. Investor A responded that he was looking forward to seeing the evidence of the transactions. Early the next morning, ROBB informed Investor A that the bot had not yet conducted any transactions because it was still "warming up."

12.   On or around November 8, 2023, Investor A requested a refund from ROBB because they had not received any returns or evidence ROBB created a MEV bot. ROBB provided multiple excuses for why he could not immediately refund Investor A. Despite ROBB repeatedly

promising him his refund by various dates, Investor A never received a refund from ROBB nor profits from the MEV bot.

13.   The government's investigation identified more than ten investors in ROBB's scheme alleging losses totaling more than $2.2 million.   The investor complaints include allegations of misrepresentations, material omissions, and misuse of investor funds for personal expenses, similar to the misrepresentations and omissions above. The earliest reported complaint is from Investor B, who received a message from ROBB in October 2022 seeking an investment. From in and around November 2022 to June 2023, Investor B invested a total of approximately $514,443 with ROBB. Through its own review of financial records and interviews with investors, the FBI has identified at least $1.5 million in funds it has either confirmed or believes were from investors.

14.   Despite ROBB's representations to investors claiming investor funds would be used as trading capital for the MEV bot, the investor funds were funneled to virtual currency exchange accounts and traditional bank accounts held in ROBB's name and not used as trading capital for the MEV bot. Contrary to ROBB's promises that the funds would be used to invest or otherwise in connection with the MEV bot, the vast majority of the funds were in fact used to pay for personal expenses, including airline tickets, vacations, gambling, cars, and other luxury items. For example:

   a. In and around September 5, 2023, ROBB used approximately $204,423 in investor funds to purchase a two-year lease of an executive suite at the Denver Broncos' Mile High Stadium, for the 2023 and 2024 NFL seasons.

   b. Also in and around September 6, 2023, ROBB used approximately $117,570 in investor funds to purchase a 2023 Jeep Wagoneer sport utility vehicle.

c. In and around October 12, 2023, ROBB used approximately $46,914.50 to send his girlfriend and her extended family to a resort in the Bahamas.

At no point before or after investors decided to send him money did ROBB inform current or prospective investors that he had used investors' money to fund personal expenses, or that he would do so.
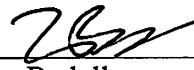
15.   This statement of facts includes those facts necessary to support the plea agreement between the defendant and the United States. It does not include each and every fact known to the defendant or to the United States, and it is not intended to be a full enumeration of all of the facts surrounding the defendant's case.

16.   The actions of the defendant, as recounted above, were in all respects knowing and deliberate, and were not committed by mistake, accident, or other innocent reason.

Respectfully submitted,

Jessica D. Aber
United States Attorney

By: _____

Zoe Bedell
Katherine Rumbaugh
Assistant United States Attorneys

Defendant's Signature: After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, Robert Wesley Robb, and the United States, I hereby stipulate that the above statement of facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

Date: ___6/21/24___

_____
Robert Wesley Robb
Defendant

Defense Counsel Signature: I am counsel for the defendant in this case. I have carefully reviewed the above statement of facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

Date: ___6/21/24___

_____
Ann Mason Rigby, Esq.
Counsel for the defendant